

U.S. Small Business Administration



NEWS RELEASE

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SBA OFFERS NEW “Y2K***ACTION***” LOANS

WASHINGTON— Aida Alvarez, Administrator of the U.S. Small Business Administration (SBA), announced today that “Y2K***Action*** Loans” are now available for small businesses that need financial assistance to address Y2K.

“Y2K is an issue that every small business must address,” Administrator Alvarez said. “However, potential repair costs should not be a reason to avoid preparing for the Y2K challenge. SBA’s new Y2K*Action*** Loan Program allows small firms to obtain the financing they need to become ‘Y2K OK’.”**

According to Alvarez, this special purpose lending program was authorized by the Small Business Year 2000 Readiness Act, and signed into law on April 2, 1999, by President Clinton. The Y2K***Action*** Loan Program is part of SBA’s highly successful guaranteed business loan program, known as the 7(a) program.

Y2K***Action*** Loans are available through December 31, 2000, to enable small businesses to become Y2K compliant. In addition, after January 1, 2000, SBA will also be able to guarantee loans to small businesses that suffer economic injury as a result of Y2K-related problems.

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SBA can guarantee as much as \$750,000 of a loan made for Y2K purposes, and if a borrower already has an SBA loan, the total amount of SBA's combined guaranties may go as high as \$1 million. Y2K*Action* Loans have a variety of other special features that make them especially attractive to both lenders and borrowers.

For more information about the Y2K*Action* Loan Program, or other ways that SBA can help small businesses meet the challenge of Y2K, contact your local SBA office, call 1-800-U-ASK-SBA, or visit SBA's comprehensive website at www.sba.gov .

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